

November 16, 2011

Important Reminder: High Cost Loans Cannot Be Purchased

In an eNews dated September 8, 2011, Minnesota Housing shared information from a [U.S. Bank MRBP bulletin](#) stating that under the program, **high cost loans cannot be corrected after closing and will not be purchased by U.S. Bank MRBP.**

According to the U.S. Bank MRBP Lending Manual, “unfavorable terms and overcharging of fees to a consumer result in what is referred to as a ‘high-cost loan’”.

While there are a number of reasons a loan could be considered ‘high cost’, under the Minnesota Housing program a number of smaller loan amount loans, in which the ‘normal fees’ applied to the loan were disproportionate to the loan amount, resulted in a high-cost loan.

It is the Lender’s responsibility to ensure that all loans submitted to U.S. Bank MRBP for purchase are not high cost loans. Please remember to check each loan prior to closing.

For additional information, please contact the U.S. Bank MRBP Help Desk at 800-562-5165 or [access the manual online](#).

Extension Fee Waiver Available for Short Sales and Bank Mediated Properties

In recognition of the delays caused by the short sale process and connected to other bank mediated properties, Minnesota Housing is accepting requests from lenders to waive extension fees on these transactions.

To request the waiver of extension fees, please send an email to Kimberly Stuart at kim.stuart@state.mn.us and include:

- Minnesota Housing loan number
- Borrower name, first and last
- Type of transaction: short sale, bank mediated
- Reason for the waiver request- what caused the delay
- Your contact information

Personal Property Addendum Reminder

As a reminder, personal property should not appear on the purchase agreements for Minnesota Housing MMP and CASA transactions. If there is personal property on a purchase agreement it must be removed by an addendum to the purchase agreement. Lenders may use their own addendum or may use the [Minnesota Housing template](#).

Questions?

Single Family Division Help Desk
651.296.8215 or 800.710.8871
7:30 a.m. - 5:00 p.m. (business days)